VZCZCXRO9508 PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR DE RUEHVJ #1197/01 1461725 ZNY CCCCC ZZH P 261725Z MAY 06 FM AMEMBASSY SARAJEVO TO RUEHC/SECSTATE WASHDC PRIORITY 3600 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEKJCS/JCS WASHDC RHEHNSC/NSC WASHDC RUFOAOA/USNIC SARAJEVO

C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 001197

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DEPT FOR D (SMITH), P (BAME), EUR (DICARLO), EUR/SCE (ENGLISH, SAINZ, FOOKS), L (DOROSIN, MANSFIELD), NSC FOR BRAUN, USNIC FOR WEBER, GREGORIAN

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TAGS: PREL PGOV BK SUBJECT: BOSNIA: BRCKO DISTRICT AND COUNCIL OF MINISTERS TARGET GOALS FOR NEXT WORKING GROUP MEETING

REF: A. OUINVILLE-FOOKS EMAIL

¶B. 5/23/06

Classified By: AMBASSADOR DOUGLAS MCELHANEY. REASON: 1.4 (B) AND (D).

11. (C) SUMMARY: In a May 25 meeting with Brcko District Mayor Djapo, the staff of the Sarajevo-based Brcko District Office, and representatives of the BiH Council of Ministers (joined by the Supervisor, her legal advisor, and OHR staff), Ambassador pressed for additional concrete progress to bring Brcko District officials more fully into the work of BiH institutions. Brcko and COM reps quickly identified two practical steps -- liaison with ministries and improved ties to parliament -- which could be achievable (even in a limited degree) prior to reconvening the formal Working Group with Washington participation. Brcko District participants still tend to focus on legal steps to ensure their voice is heard, particularly on money issues, and also continue to see the Tribunal as their ultimate judicial remedy. However, the cooperative dialogue demonstrated during the preparatory session marks a clear change from the Brcko-BiH relationship in 2005. At the end of the session, Brcko Mayor Djapo made a pitch for continued supervision in Brcko, even once the OHR-EUSR transition takes place.

## END SUMMARY.

- 12. (SBU) Recalling the February 13-14 meeting of the U.S.-chaired Brcko District Working Group (established during the November 2005 Washington commemoration of the Dayton Peace Accords to facilitate cooperation between Brcko District and the state of BiH), the Ambassador pressed for a review of progress achieved by the recently-established, Sarajevo-based Brcko District Office and the Council of Ministers. Given delays in getting the Office full access, what additional measures could be taken in the next few weeks to demonstrate progress? The head of the Office, former Brcko Mayor Kisic, welcomed the fact that Brcko representatives were now attending Council of Ministers sessions -- but argued for greater "legal strength" to ensure that their voice was heard. As a first step, he proposed changing the Law governing the operation of the Council of Ministers. In his view, Brcko District needed to be able to propose legislation as well as to participate in committees as they sent policy initiatives to their ministries. Ultimately, Brcko would want a vote on matters facing COM decision.
- 13. (SBU) Ambassador focused officials on the need for concrete steps that could be taken now to show progress.

Both Brcko and COM officials agreed that a key area was improving liaison with individual ministries. Kisic pressed for individual ministries to name liaison contacts for the Brcko District office, so that they could be included in the strategic planning phase; COM reps agreed this was feasible. OHR Sarajevo reps added that this initiative could be included in the revision of the Law on the Council of Ministers (currently underway).

- 14. (SBU) A second useful area for short-term action: improving the Brcko District Office's links with the BiH parliament. To date, they have had little interaction; the office would like to improve contacts with parliamentary committees and be up to date on legislative activity. They also want to build parliament-to-parliament contacts between the Brcko District Assembly and the BiH Parliament. OHR Sarajevo agreed to lobby for the Brcko District office to gain access to two key committees (the Constitutional and Legal Affairs Committee and the Finance Committee); the Ambassador agreed to facilitate a meeting with the parliamentary speakers.
- 15. (SBU) During the meeting, Brcko participants tended to focus on seeking legal remedy as the ultimate answer to problems, both immediate and long-term. Both Mayor Djapo and his colleagues in the Brcko District office were focused on a BiH Constitutional Court decision regarding the disposal of public property which they contend contradicts the Final Award (as well as a pending proposal in the COM to form a special Agency to deal with public property). Brcko officials fear this could reverse privatization in Brcko and believe that their only judicial remedy would be through the Tribunal.
- **16.** (C) Brcko officials also insist on the importance of the SARAJEVO 00001197 002 OF 002

right to vote in bodies which take decisions affecting Brcko's finances -- particularly the Indirect Tax Administration's Governming Board and the National Fiscal Council. In fact, that goal may be more achievable than it once looked. In a separate meeting with PM Terzic, Terzic told the Ambassador that Brcko deserved to have a vote on the ITA board and, conceivably, in the NFC as well. Terzic pressed for a constitutional amendment on Brcko (linking it initially to the constitutional reform process), though his ideas of what form it would take were extremely vague. He told the Ambassador that he planned to discuss the issue with some constitutional experts -- but privately, not officially.

MCELHANEY